

**TASK ORDER PROGRESS  
AND COST REPORT**

**IMPROVING SOCIAL  
SERVICE DELIVERY  
SYSTEMS**

**RUSSIA**

**APRIL - JUNE 2001**

Prepared for



Improving Social Service Delivery Systems Russia  
US Agency for International Development  
Contract No. EEU-I-99-00015-00  
Task Order No. 803

Prepared by

Burt Richman,  
Jerome Gallagher



**THE URBAN INSTITUTE**  
2100 M Street, NW  
Washington, DC 20037  
(202) 833-7200  
[www.urban.org](http://www.urban.org)

April 2001  
UI Project 06901-006

## TABLE OF CONTENTS

PROGRESS REPORT .....	1
Task Order Description .....	1
Work Performed During Previous Quarter .....	1
Significant Findings and Delays .....	8
Work Planned for Next Reporting Period .....	8
Specific Action Requested .....	9
Up-To-Date Schedule of Work .....	9
ФОНД “ИНСТИТУТ   THE INSTITUTE .....	10
ATTACHMENT	
Cost Report	

**TASK ORDER PROGRESS AND COST REPORT**  
**RUSSIA IMPROVING SOCIAL SERVICE DELIVERY SYSTEMS**

**APRIL - JUNE 2001**

**PROGRESS REPORT**

As required by Section F.5 of the Local Government Contract, below is a description of progress during the last quarter under UI Project No. 06901-006, Improving Social Service Delivery Systems, Russia.

Task Order No.: EEU-I-99-00015-00, TO 803

Date of Issuance: September 30, 1999

**Task Order Description**

In September 1999, USAID contracted the Urban Institute (UI) to implement the Improving Social Service Delivery project, a two-year activity to assist Russian municipalities improve the efficiency and effectiveness of their social support services. Technical assistance will be provided to help selected municipal administrations assess the current conditions of their social service delivery structure, to introduce means-testing as a way to improve the transparency and targeting of social subsidy programs, and to improve the effectiveness of locally provided social services. The program will assist municipalities to modernize and increase transparency in their budget processes by implementing, to the extent allowable under current federal legislation, the most cost effective policies for allocation of locally derived budget resources.

**Work Performed During Previous Quarter**

***Better Targeted Social Assistance Programs***

Both the cities of Arzamas and Perm continued the implementation of their targeting projects. Team members worked with the city of Arzamas to improve their statistical reporting of applications, approvals and denials. The team also prepared and sent to the city of Perm a detailed policy paper on policy options for the development of a sanctioning and good cause policy for the Perm Jobs program.

During a visit to Perm the project team was required to assist the city to renew inter-departmental communication and coordination through a series of meetings designed to ensure that all players were at the table at the same time to work out project implementation problems. Following the visit the team provided the Raion District Office with copies of documents that they advised us that they had never received about why policy decisions were made in specific ways.

***Social Services Delivery***

In Novgorod, the competition for provision of at-home services to the elderly and disabled was completed and a contract was signed with the non-government organization (NGO), Novgorodka, to provide services to up to 25 cancer patients who are only partially able to take care of themselves. The services under the contract were begun in the beginning of May. In both the cities of Perm and Tomsk services continued to

be provided under contracts signed in prior reporting periods. The Tomsk contracts ended in June and the Perm contracts will continue until the end of the calendar year.

### ***Strengthening Administrative Procedures***

As part of the team's ongoing assessment of administrative practices in local social services offices in Russia, visits were made to the towns of Nitva in Perm Oblast and Asino in Tomsk Oblast, where visits were made to the local social assistance office and the local Housing Allowance office. The reports of these two visits will be added to the reports done for two small cities visited in the prior reporting period (Staraya Russa in Novgorod Oblast and Gorodetz in Nizhny Novgorod Oblast) and will be used as part of the team's assessment of the training needs of local administrators.

During a visit to Arzamas the project team worked with the city to make final changes to the unified application form that the city was using to ensure that it both complied with federal and oblast legislation and to include suggestions made by social workers who had been using the form in actual practice.

### **Summary Table of City Proposals and Actual Projects Implemented**

<b>AREA OF REFORM</b>	<b>CITY PROPOSED</b>	<b>CITY IMPLEMENTED</b>
<b>BETTER TARGETING OF SOCIAL ASSISTANCE</b>		
	<b>Arzamas</b>	<b>Arzamas</b>
	A food assistance program for all low income individuals and families that would replace all current food programs in the city with the exception of the Kindergarten Meal Program	<p>School Lunch Program:</p> <ul style="list-style-type: none"> <li>a. All families must pay four rubles per child per day for school lunch.</li> <li>b. Provides cash assistance to low income families to pay for either 100 percent or 50 percent of the cost of school lunches depending on the family's income level.</li> <li>c. Allows schools to purchase food from private vendors as well as municipal enterprises.</li> <li>d. Permits parent committees for each school to monitor quality of school lunch menu and food.</li> </ul>
	<b>Novgorod</b>	<b>Novgorod</b>
	To redesign the Social Support of Low Income Families Program to:	Proposal withdrawn



AREA OF REFORM	CITY PROPOSED	CITY IMPLEMENTED
	<p>a. Eliminate categorical eligibility.</p> <p>b. Base eligibility solely on income.</p> <p>c. Use the subsistence level as the standard for eligibility and benefit level.</p> <p>d. Use only one set of eligibility rules and income calculation methodology.</p>	
	<p><b>Perm</b></p> <p>Create a new program to provide cash assistance to low income families while simultaneously providing services to the family so they can become self-sufficient through new or better paying employment.</p>	<p><b>Perm</b></p> <p>Implemented November 2000 as proposed</p>
	<p><b>Tomsk</b></p> <p>a. Create a sliding scale for tuition fees for extra-curricular activities and kindergarten based on an income calculation.</p> <p>b. Redesign Infant Milk Program to eliminate the required doctor's certification and to replace in-kind benefits with cash or vouchers.</p>	<p><b>Tomsk</b></p> <p>Proposal withdrawn</p>
<b>COMPETITIVE PROCUREMENT</b>		
	<p><b>Arzamas</b></p> <p>Services to veteran of recent conflicts with a desired outcome of gainful employment.</p>	<p><b>Arzamas</b></p> <p>Competition held, however no contracts have been signed as of the end of June 2001. City funds allocated for this project had to be used to assist flood victims in the area. No decision has been made as to whether the contracts will be signed and services provided at a later date.</p>



AREA OF REFORM	CITY PROPOSED	CITY IMPLEMENTED
	<p><b>Novgorod</b></p> <p>Expansion of the municipal program for in-home services to the elderly and disabled for 120 additional individuals to be provided by NGO's.</p> <p><b>Perm</b></p> <p>Services for disabled children</p> <p><b>Tomsk</b></p> <p>Services for disabled teenagers</p>	<p><b>Novgorod</b></p> <p>Budget funds for the contract were reduced from 100,000 rubles to 50,000 rubles. Contract signed with an NGO to provide in-home services to up to 25 cancer patients who are only partially able to take care of themselves. The services were implemented in early May 2001.</p> <p><b>Perm</b></p> <p>The competition was held and contracts were signed with 3 NGO's to provide services to 20 disabled children each in three different geographic areas of the city. Services under the contracts are currently being provided.</p> <p><b>Tomsk</b></p> <p>The competition was held and contracts were signed with nine NGO's to provide a variety of services to disabled teenagers across the city. Services under the contracts were provided from January 1, 2001 to June 30, 2001, at which time the contracts were ended.</p>
<b>ADMINISTRATIVE REFORM</b>	<p><b>Arzamas</b></p> <p>a. Single Application form for all city benefits and services provided by the Committee for Social Protection and for Housing Allowances.</p> <p>b. Single Point of Entry to file applications for all city social services and housing allowances with one application, one interview, and providing only one set of verifications or required documents.</p>	<p><b>Arzamas</b></p> <p>a. Implemented as a pilot project in two micro-raions.</p> <p>b. Implemented as a pilot project in two micro-raions.</p>



AREA OF REFORM	CITY PROPOSED	CITY IMPLEMENTED
	<b>Novgorod</b>	<b>Novgorod</b>
	Single application form for all city benefits and services provided by the Committee for Social Questions and the Housing Allowance Program.	Proposal withdrawn
	<b>Perm</b>	
	No proposal made.	
	<b>Tomsk</b>	<b>Tomsk</b>
	Implementation of a social passport and single data base for all programs including those administered by other departments, e.g., education.	Proposal withdrawn

**Monitoring and Evaluation**—The project team has continued to work with Arzamas and Perm on the evaluations of the targeting and administrative pilots. The project team prepared an evaluation memo for the city of Perm summarizing the findings from the focus groups held in Perm during the previous quarter. A draft of the full evaluation report for Perm will be sent to the city administration at the beginning of the next quarter.

In May, the project team traveled to Arzamas, to complete its second evaluation visit. During this visit, team members conducted four focus groups concerning the single point of entry and new school lunch benefit. Team members also interviewed administrators from the Social Protection department and the education department to learn more about the school lunch benefit. A draft of the evaluation is currently in progress.

The project team also traveled to Novgorod, Perm, and Tomsk to conduct evaluations of the competitive procurement process and delivery of services by NGOs under city contracts in each city. The evaluation consisted of interviews with city administrators that were involved in the competition, interviews with NGOs that won contracts under the competition, interviews with NGOs or city offices that lost the competition, and finally, group interviews with selected service recipients (clients). Evaluation reports for each city will be completed early in the next quarter.

**Dissemination**—Work continued on the implementation of the project web site. The home page design was finalized and a list of papers, interactive spreadsheets, and news items that will appear on the web site was also finalized. The team worked to prepare the initial documents and the administrative cost calculator that need to be ready when the site is launched in late July.

The Institute for Urban Economics (IUE) provided a course (35 hours) on "Partnerships between Government, Non-Profits and Business" at the Higher School of Economics in Moscow. The curriculum and most of the lectures were provided by team members to a select group of students who had elected to take this special course. Topics covered included: concept and legal basis for cooperation, the US experience in welfare reform and cooperation between the three entities to help poor families work their way out of poverty, historical traditions in Russia, competitive procurement and grant making, as well as, descriptions of regional experiences.

A team member also gave a seminar on the project, its goals and objectives and how it was achieving them to the All Russian Foreign Trade Academy. An article entitled "*Partnerships Between Government, Non-Profits and Business*" was published in the journal *Business and Society*. A team member made a presentation at a conference on the non-profit sector in Russia, which was hosted by Moscow State University on May 18.

**Volga Federal District Initiative**—The team conducted a survey on Competitive Funding in the Social Sector in the Volga Region. Thirteen regions participated in the survey and an analytical report was prepared.

The team participated in a meeting of vice-governors and senior social services administrators in Nizhny Novgorod on April 19 where the topic was Funding the Social Sector on a Competitive Basis. The team drafted the agenda for this meeting, gave a presentation on the key legal issues, the benefits of competitive funding and the findings of the survey mentioned above. Team members also facilitated work groups on competitive procurement that were formed as part of the meeting.





Upon the request of Mr. Sergei Kirienko's office the team conducted monitoring and mid-term evaluations of three projects that received grants at the Perm Fair in November 2000. The three projects that were evaluated were all in the Perm Oblast and were:

- "Trustees for Education," City of Perm, NGO- Center for Development of Trusteeship
- "It's Important to Be a Parent", City of Perm, NGO—Center for Parental Care, "Maria"
- "Summer School for Difficult Children," City of Nitva, Municipal Department of Education

Because of a lack of administrative skills on the part of the NGO's the first two projects were assessed as being seriously at risk of failure. Recommendations were made to the NGO's on how to improve their performance. The Nitva Municipal Department of Education received its grant to fund a project that they had already been running for five years, however, the evaluation found a lack of skill on the part of Department officials in project planning and project management. Again recommendations for improvement were made.

The team has also started to work with Mr. Kirienko's office on preparations for the next Volga District Fair of Social and Cultural Projects that will be held in Saratov in September 2001.

**National Social Policy Development**—The project team met with the Ministry of Labor and Social Protection and the Apparatus of the Government to discuss the idea of providing oblasts with the ability to conduct experiments and evaluations of new ways of providing social assistance, by requesting demonstration waivers from federal legislation. The concept was reviewed by the Governors of two oblasts, Saratov and Perm, as well as, by the staff of Mr. Sergei Kirienko, all of whom support the concept.

**Final Report**—There was no activity in this workplan area during this reporting period.

**Capacity Building of Russian Staff**—Three Russian members of the project team and one American traveled to the United States (US) for a ten-day study tour (full agenda attached). The team members visited two local social services offices in Anne Arundel County, Maryland and Alexandria, Virginia to learn about agency organization and other administrative practices. The team also visited the Urban Institute for seminars on the federal waiver process and block grant funding. Finally, the team visited the national office of the Food and Nutrition Service of the United States Department of Agriculture to learn about the Food Stamp Program, Electronic Benefit Transfer, and the School Lunch Program. Russian staff who were able to travel to the US for the study tour provided seminars back in Moscow for the Russian staff who were not able to attend on all of the agenda topics. An agenda of the study tour is attached at the end of this report.

A seminar by an American team member was also given during the reporting period on the Housing Allowance Program.

## **Significant Findings and Delays**

### **Better Targeted Social Assistance Programs—None**

**Social Services Delivery**—The mayor of the City of Arzamas did not sign the contracts with the winners of the competition to provide services to veterans of recent conflicts because the allocated budget funds for the project were used to assist flood victims in the area. As of the end of the reporting period no decision had been made by the mayor's office as to whether the city would go forward with the contracts at a later date or cancel the procurement.

### **Strengthening Administrative Procedures—None**

**Monitoring and Evaluation**—Findings from the Perm evaluation reveal that the Perm targeting pilot project has been implemented in general accordance with the program goals. Despite numerous implementation problems, particularly in the development of program procedures documentation, some successes are apparent. Over 70 families have received benefits, and by the beginning of April 23 of 67 clients referred to the district employment center obtained employment. Clients interviewed about the program report high levels of satisfaction, and the majority of administrators interviewed consider the implementation of the program to be successful. Further findings are reported in the city evaluation report.

### **Dissemination—None**

### **Volga Federal District Initiative—None**

### **National Social Policy Development—None**

### **Final Report—None**

### **Capacity Building of Russian Staff—None**

## **Work Planned for Next Reporting Period**

**Better Targeted Social Assistance Programs**—The project team will continue to work with the cities of Arzamas and Perm as they continue to provide benefits and services under their pilot projects on an as needed basis. The team will be consulting with the city of Perm on program sustainability and how to apply the lessons learned to other local programs.

**Social Services Delivery**—The project team will continue to monitor the situation in Arzamas. It is expected that mayor of Arzamas will make a decision early in the next reporting period regarding whether to sign the contracts with the winning NGO's of the competition and begin service delivery or to cancel the procurement. If the contracts are signed the team will work with the city administration on the implementation of the contracts as requested.

**Strengthening Administrative Procedures**—The project team will continue to work with the city of Arzamas on its implementation of administrative reform on an as needed basis, particularly in the area of completing the roll out of the single point of entry model to all 14 Neighborhood Self-Government Centers. At the request of the city the team will prepare a paper on the design, organization and functions



of a Unified Benefit and Service Application Center to assist the city in its long term strategic plan for the continued roll out of the single point of entry project.

**Monitoring and Evaluation**—During the next reporting period, the project team will deliver the final draft of the Perm evaluation of the targeting project to the city administration of Perm. The team will also complete the Arzamas evaluation of their targeting and administrative reform projects and deliver it to the city administration of Arzamas. A summary report on the two targeting pilots in Arzamas and Perm and the administrative pilot in Arzamas will be prepared for USAID and for distribution on the project web site.

The team will also complete reports to the cities of Perm, Tomsk, and Novgorod on the evaluation of their implementation of competitive procurement. Additionally, the team will prepare project descriptions for each city and a summary assessment of their implementation for USAID and for distribution on the project web site.

**Dissemination**—The project web site will be launched during the last half of the first month of the next reporting period. The project team will continue to add items to the web site on a regular basis. Specifically, during the next reporting period the Interactive Simulation Spreadsheet will be added as will assessment reports on projects implemented in the pilot cities.

**Volga Federal District Initiative**—The project team will be responsible for design, planning and implementation activities related to local-self-governments and local communities for the Volga District Fair of Social and Cultural Projects to be held in Saratov in September 2001.

**National Social Policy Development**—The project team will continue to work with the federal government on the drafting of a government resolution on the implementation of demonstration waivers from federal legislation to test new and innovative ways to provide social assistance.

**Final Report**—During the next reporting period the project team will draft and finalize the Final Report on the project and submit it to USAID.

**Capacity Building of Russian Staff**—During the next reporting period American staff on the project team will provide at least one seminar on Monitoring and Evaluation of social assistance programs for the Russian team members.

#### **Specific Action Requested**

No action is requested in any area.

#### **Up-To-Date Schedule of Work**

Unchanged from approved workplan.



ФОНД “ИНСТИТУТ  
ЭКОНОМИКИ  
ГОРОДА”

THE INSTITUTE  
FOR URBAN  
ECONOMICS

---

Lyusinovskaya, 36, Moscow 113093, Tel.: (095) 237-1042, Fax: (095) 236-5286,  
E-mail: FURBIN@cityline.ru

IMPROVING SOCIAL SERVICE DELIVERY SYSTEMS IN RUSSIA  
US STUDY TOUR  
AGENDA

Wednesday, April 3, 2001

Arrive in Washington, DC—National Airport, transfer to hotel

Thursday, April 4, 2001

Anne Arundel County Department of Social Services  
Annapolis, MD Office

- Introductions and Overview of local welfare operations
- Agency Organization and Management Structure
- Client Flow through agency
- Tour of the on-site Job Center, Learning Center and Family Support Center
- Walk through of on-line Information System

Friday, April 5, 2001

Anne Arundel County Department of Social Services  
Glen Burnie, MD Office

- Overview of County Demographics
- Overview of operations at the Glen Burnie office
- Tour of the Glen Burnie Job Center, Learning Center, and Family Support Center
- Overview of information/data analysis to measure process and outcomes



Monday, April 8, 2001

The Urban Institute, Washington, DC

- Seminar on the federal waiver process and how it was used by states for the implementation of welfare reform in the US
- Seminar on block grant funding using the Community Services Block Grant as a detailed example

Tuesday, April 9, 2001

United States Department of Agriculture

Food and Nutrition Service National Office, Alexandria, VA

- Overview of the Food Stamp Program
- Poverty Guidelines in the US—how calculated and how used
- Thrifty Food Plan (maximum food allowance per household size)—how calculated
- Overview of Nutrition Education Program
- Quality Control and Error Rate Measurement
- Overview of the School Lunch Program

Wednesday, April 10, 2001

City of Alexandria Department of Social Services, Alexandria, VA

- Introductions and overview of agency operations
- County demographics
- Description of Programs and Staffing
- Position Descriptions—how they are developed and used
- Staff evaluations—how expectations are developed and measured
- Supervision—what is the role of the supervision in a social services agency
- Walk-through of online computer system

Thursday, April 11, 2001

City of Alexandria Department of Social Services, Alexandria, VA

- Description of the functions of the job center
- Tour of Job Center

Friday, April 12, 2001

Depart for Moscow